

# SJ Storefronts Initiative Phase II



## Notice of Funding Availability

# GUIDELINES

2013-2014

**NOTE:** See Section 8 for Online Application Submittal Requirements

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## **1. SAN JOSE OFFICE OF ECONOMIC DEVELOPMENT**

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The SJ Storefronts Initiative is managed by the City of San Jose's Office of Economic Development (OED). OED guides the City's Economic Strategy, provides assistance for business success, helps connect employers with trained workers, and provides art and cultural resources to our community. For more information, please visit [www.sjeconomy.com](http://www.sjeconomy.com)

## **2. PURPOSE**

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The SJ Storefronts Initiative Phase II seeks to strengthen the economic vitality of Downtown San Jose, the City's Neighborhood Business Districts (NBDs) and Strong Neighborhood Initiative areas. The purpose of this Notice of Funding Availability (NOFA) is to invite proposals from applicants in the following categories who meet the minimum eligibility criteria (outlined in Section 3 below):

- Individuals: entrepreneurs or sole proprietors
- Small business owners
- Nonprofit organizations
- Landlords or property owners working with prospective businesses/tenants; and
- Contractors working with businesses and/or property owners

Filling street-level vacancies in San Jose's pedestrian-oriented retail corridors is a top priority and will benefit nearby businesses and surrounding neighborhoods. This grant will help small businesses lease vacant space by offering a grant to offset the cost of City permits, fees and taxes up to a maximum of \$16,000 per grantee.

Based on the evaluation criteria (outlined in Section 6 of this document), grants will be awarded to fill ground-floor vacant storefronts in Downtown and the designated Neighborhood Business Districts in San Jose.

## **3. MINIMUM ELIGIBILITY**

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Applications must be complete, submitted by the deadline, and meet all the following conditions:

- Vacant storefronts must be:
  - Existing, ground floor, street-facing space requiring tenant improvements for retail uses\* (with minor structural calculations) up to 10,000 square feet, or tenant improvements for office use (with minor structural calculations) up to 20,000 square feet.

- Located within the Downtown or City designated Neighborhood Business Districts (NBD's). See **Appendix A** in the attachments section of webgrants for map boundaries.
- Appropriately zoned spaces that have been vacant for a minimum of three months.
- Applicants for this grant must provide a written commitment from the participating property owner to lease the relevant space for the proposed term of the lease at a below market rate. Minimum lease term must be three years.
  - \*Retail uses are confined to retail businesses and creative entrepreneurs creating and/or selling goods/merchandise. Business must be 75% or more retail sales. Creative entrepreneurs include individuals and arts-rooted commercial businesses involved in the production or distribution of the arts including creative industries of all types such as manufacturers, service providers, presenters, and designers, among others.
  - Co-working operations involving shared working environments and independent activity for example, freelancers or independent contractors.
  - Restaurants, cafes and food related businesses.

Businesses NOT eligible for funding under this NOFA include:

- Personal services ("Personal Services" includes establishments which chiefly provide services of a retail or personal nature to individual customers. These establishments not eligible may include, but not limited to, beauty or barber shops, shoe repair shops, self-service laundries, medicinal marijuana establishments, tanning salons, and tailoring establishments.

#### **4. GRANT TERM & AMOUNT**

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The SJ Storefronts Initiative Phase II Grant applications are accepted on a "rolling basis" which means that there is no application deadline. This funding opportunity will be released on November 15, 2013 and will remain open until the total amount allocated for this program, which is \$250,000, has been expended.

Applicants will be notified by email whether or not their applications have been accepted and qualify for the grant within two weeks of submitting your application. Non-winning applicants will also be notified by email two weeks after submission. The successful applicant must occupy the vacant space by December 31, 2014.

The maximum amount for each SJ Storefronts Initiative Grant is \$16,000. This NOFA encourages multiple tenants co-locating in close proximity, but this is not a requirement to be eligible for this grant.

The grant award will be paid as follows: 50% of fees due at issuance of building permits, for a maximum of \$8,000. The remainder of the award will be provided up to a maximum of

\$16,000 at issuance of occupancy permit (minus any amounts awarded at issuance of permit), upon providing a signed lease of a minimum three years.

Applicants who are awarded a grant will need to document and provide to the City the receipts they receive for City permit fees and taxes at issuance of occupancy.

## 5. EVALUATION CRITERIA AND WEIGHTING

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Applications will be evaluated according to four criteria. Based on the total score of 100 points, each category has the following point weight:

### **Location Impact ..... 30 points**

*Key elements:* Location impact reflects the effect filling space will have on the surrounding retail, pedestrian, and street environment. Higher scores will be awarded to projects encompassing corner spaces, strategic sites, spaces that fill up gaps in critical retail corridors, and multiple tenant spaces receiving the grant within a radius of 200 square feet (up to three spaces within the radius or on an uninterrupted block encompassing multiple property owners).

*Information required:* Address, Site and Area plan

### **Lease Favorability ..... 30 points**

*Key elements:* The evaluation will provide favorable scoring to projects that can demonstrate below-market lease rates, including tenant improvements over the full term of the lease.

*Information required:* commitment letter, lease (draft)

### **Tenant Readiness ..... 30 points**

*Key elements:* Applicants with a signed letter of intent from landlord/property owner will receive higher scores. The readiness factor for a tenant to occupy a vacant space also includes available financing, equipment, and site suitability.

*Information required:* Signed letter of intent from prospective tenant

### **Time Vacant ..... 10 points**

*Key elements:* Applications will be scored on the length of time the prime retail location has remained vacant.

*Information required:* History of Site

## 6. APPLICATION PREPARATION

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### IMPORTANT NOTICE:

**Electronic application through WebGrants is Mandatory.**

This NOFA is available on WebGrants, the CITY's grants management system located at <http://grants.sanjoseca.gov>. Proposers can also find a link at the City of San Jose OED website, [www.sjeconomy.com](http://www.sjeconomy.com). At either Web site, follow the links to register for the on line service.

All addenda and notices related to this procurement will be posted by the City on WebGrants.

### Getting Started With WebGrants

WebGrants is the City's one-stop portal for grants opportunities offered throughout the City.

Grant applications are only accepted through WebGrants, which can be accessed at: <http://grants.sanjoseca.gov>.

**SETTING UP A USER ID AND PASSWORD:** To get started, all grant applicants not already registered in the WebGrants system must create a User ID and Password and identify their business/organization. Requests for new user IDs and passwords usually require two business days to process. **Note: Registration is *per individual***, not per grant application, so individuals only need to register once to access all current and future grant opportunities available through the City.

While it is possible for multiple users to be associated with one business/organization, it is recommended that only individuals who are responsible for authorizing or preparing grants be registered. Businesses/Organizations are responsible for contacting City staff when individuals leave the organization and should no longer have access to the business/organization's grant applications.

### Accessing the Application Instructions

Once you are logged into WebGrants:

- 1) Click on "**Funding Opportunities**" in the Main Menu;

2) Under “Title” column, locate and click on “2013-2014 **SJ Storefronts Initiative Grant**”. Here you will find general eligibility information, information about Technical assistance workshop dates, and important attachments related to this application, including the SJ Storefronts Initiative Grant Guidelines (this document), and the Application Instructions.

3) Download and print the “**Application Instructions**” (under **Attachments in webgrants**) This guide will provide step by step instructions on how to start an application and important instructions on how to complete each section of the application.

READ THE **APPLICATION INSTRUCTIONS** PRIOR TO STARTING AN APPLICATION.

You do not have to complete and submit the application in one sitting. You may save and return to it as many times as you like. After the General Information Form is complete, applicants have the ability to preview and print a copy of the electronic application for planning purposes.

### **Online Application Components**

The online portion of the Application consists of the following components in WebGrants:

- General Information
- Applicant Information
- Business Type and Vision Narrative
- Applicant Signature
- Attachments Section (**All attachments must be in PDF format**)
  - A written commitment letter from landlord/property owner indicating reduced rent upon occupancy
  - A business outline

*Partial or incomplete grant applications will not be considered.*

### **Public Nature of Application Materials**

Applications submitted for economic development grants become the exclusive property of the City of San José. At such time as OED recommends a grantee, all applications received become a matter of public record and shall be regarded as public records, with the exception of those elements in the application which are defined by the applicant as business or trade secrets and designated as *Confidential*, *Trade Secret*, or *Proprietary*. The City shall not in any way be liable or responsible for the disclosure of any such application or portions thereof, if they are not designed as *Confidential*, *Trade Secret*, or *Proprietary* or if the disclosure is required under the Public Records Act. Any application which contains language purporting to render all or significant portions of the application

*Confidential, Trade Secret, or Proprietary* shall be regarded as non-responsive and, therefore, not eligible for review. If an applicant wishes to designate elements of the application as business or trade secret, they must submit a letter to OED staff at the time of application identifying the specific sections of their electronic application that the applicant defines as business or trade secret.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City may not be in a position to establish that the information that an applicant submits is a trade secret. If a request is made for information marked *Confidential, Trade Secret, or Proprietary*, the City will provide the applicant who submitted the information with reasonable notice to allow the applicant to seek protection from disclosure by a court of competent jurisdiction.

### **WebGrants Assistance**

Applicants may contact program staff during regular business hours for technical questions about the use of WebGrants. Contact information is available on Page 2. Please allow at least three business days to receive a response.

### **Procedure for Submitting Questions and Inquiries**

Questions pertaining to this NOFA should be submitted via e-mail to the contact listed on Page 2.

## **7. APPLICATION REVIEW PROCESS**

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### **Eligibility and Completeness Screening**

OED staff will review all applications for eligibility and completeness. Applications that pass this initial review will then be evaluated for their strengths which will rely on the application and related materials submitted by applicants.

### **Grant Review Panel**

The Review Panel is comprised of four City staff from Business Development and Planning Division.

The minimum threshold to be eligible for funding is 50 or more points. The Grant Review Panel will review and rank proposers based on the evaluation criteria listed above. The City reserves the right to fund all or partial amounts of the proposals depending on the nature of the proposal, the need of the business, and the funding availability.

### **Appeals**



An organization may file an appeal of the Grant Review Panel's recommendation to the Director of Economic Development only if it is based on one or more of the following circumstances:

- Required application materials that were submitted by the deadline were omitted from the materials the Review Panel considered during the review process; or
- A member of the Grant Review Panel did not recuse her/himself even though s/he had a conflict of interest; as such term is defined under state law, in relation to an applicant, which should have resulted in the panelist's recusal from evaluating the application or participating in a discussion regarding the applicant.

The Director of Economic Development will not consider appeals that are based on:

- Correcting applicant errors and omissions in the application or review process;
- Disagreements about the merits of the application relative to others the Review Panel considered;
- Events and/or organizational developments that occurred after the Grant Review Panel meeting.

Applicants **must** submit their appeals in written form to the Office of Economic Development within **10 calendar days** after Grant Review Panel results have been sent. The notification will specify the deadline to file an appeal.

Please mail or deliver appeals to:

Attn: Kim Walesh  
Office of Economic Development  
200 E. Santa Clara Street, 17<sup>th</sup> Floor  
San Jose CA 95113

Staff, in consultation with the City Attorney's Office, will determine whether the grounds for appeal meet one of the criteria for filing appeals described above, and if so, will report its findings to Director of Economic Development. In order for the Director of Economic Development to uphold the appeal, the applicant must substantiate that 1) one of the eligible circumstances for appeal occurred and 2) this circumstance negatively affected the grant recommendation for the appellant.

## **Final Award of Grant**

The funding recommendations will be submitted to the Director of Economic Development, who will review them and negotiate reasonable modifications deemed necessary in order to be consistent with policy. The Director then approves the grant award.

## Grant Agreement

City intends to use the exemplar grant template agreement for this program (See **Appendix B in the attachments section of webgrants**). If you have any issues or questions about the grant template agreement, please raise them during one of the technical assistance workshops.

## 8. SELECTED GRANTEE CONTRACTUAL REQUIREMENTS

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### Business Tax and Insurance Requirements

Successful grant applicants will be required to obtain a San Jose Business Tax Certificate. In addition, successful grant applicants must submit a certificate of insurance satisfactory to the City of San Jose Risk Management Office in order for their grant awards to be processed. See **Appendix C** in the attachments section of webgrants for Insurance Requirements.

### Acknowledging City Support

Grant recipients must acknowledge the City's financial support in all appropriate materials and media. The acknowledgement should read, **"Supported in part by an Economic Development grant from the City of San José"** or similar language, unless the City is a part of a list of supporters. In the latter case, the acknowledgement may say simply **City of San José**. Grantees must display the City's logo whenever other sponsor/supporter logos are displayed, and in accordance with City logo use guidelines.

### Copyright Law

No copyrighted musical or visual arts composition shall be performed or played, whether amplified, televised, in the form of a mechanical recording or personal rendition, or otherwise, in connection with any use of City property by a grantee, unless the grantee has first obtained all approvals and paid any license fee or other fee required by the copyright owner. When entering into a Grant Agreement, a grantee indemnifies the City and its officers and employees and agrees to keep them free and harmless from and against any and all liability and responsibility whatsoever for any infringement of and/or other violation of the right of any such copyright owner under any copyright law.

### Compliance with the Child Abuse and Neglect Reporting Act and Employee/Volunteer Clearance Verification

If awarded a grant, applicants who provide services involving minors may be required to conduct a criminal background check, including fingerprints, on each of its employees and volunteers who have supervisory or disciplinary authority over minors through the database of the California Department of Justice and an FBI criminal database or

equivalent national database. Grantees must also comply with the provisions of the Child Abuse and Neglect Reporting Act.

### **Environmentally Preferable Procurement Policy**

The City Council has adopted an Environmentally Preferable Procurement Policy. The goal is to encourage the procurement of products and services that help to minimize the environmental impact resulting from the use and disposal of these products. The Policy's provisions, such as a good faith effort in the procurement of goods with recycled content, avoiding specifying virgin materials wherever practicable, integrating environmental considerations into buying decisions, etc., apply to City contractors and grantees as well. A description of the environmentally preferable procurement and the Policy can be found on the City's website at the following link: [www.sanjoseca.gov/index.aspx?NID=1774](http://www.sanjoseca.gov/index.aspx?NID=1774)

## **9. MISCELLANEOUS PROVISIONS**

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Notwithstanding any other provision of this NOFA, proposers are hereby advised that this NOFA is a solicitation for proposals only, and is not intended and is not to be construed as an offer to enter into any contract or other agreement, or engage in any formal competitive bidding or negotiation pursuant to any statute, ordinance, rule or regulation. City reserves the right to withdraw or modify the NOFA at any time. In the event of a modification, the proposer(s) will be given a limited amount of time to revise proposals.

After the submittal deadline, City will not accept any unsolicited information a proposer wishes to provide; however, City may contact a proposer to clarify any proposal information. City will not seek clarification of items or responses that improve the substantive quality of a proposer's response to evaluation criteria.

City reserves the right to modify the scope of the program to any extent necessary to ensure compliance with State and/or Federal guidelines. Failure of the proposer to modify its program in accordance with such guidelines may result in reconsideration of funding recommendations, or termination and recovery of funding.

Acceptance of Terms and Conditions: Any proposer submitting a proposal understands and agrees that its proposal shall constitute acknowledgment and acceptance of, and intent to comply with, all the terms and conditions contained in the NOFA. Any response to this NOFA not meeting the NOFA's terms and conditions may be rejected.

Compliance with NOFA: The response to this NOFA shall be made according to the specifications contained herein. Failure to adhere to NOFA instructions may be cause for rejection of the proposal. A proposal that contains conditions or limitations set up by the proposer may be deemed irregular and rejected by City, or City may waive such irregularities in its sole discretion.

Truth and Accuracy of Representation: False, incomplete, or unresponsive statements in connection with a proposal may be cause for its rejection. The evaluation and determination of the fulfillment of this requirement shall be in City's sole judgment, and its judgment shall be final and conclusive.

Changes to NOFA: A proposer submitting a proposal shall not change the wording of the NOFA, and no words or comments shall be added to the general conditions and detailed specifications. Proposals submitted with unauthorized changes to the NOFA may be deemed irregular and rejected.

Insufficient Proposals: City reserves the right to reject all proposals and reissue this NOFA or a new NOFA, as allowed by law.